

QUINCY, CALIFORNIA

MARCH 25, 2011

NORTHERN CALIFORNIA RV PARK SELLS WITH NEW BANK FINANCING



The sale of the Pioneer RV Park located at 1326 Pioneer Road in Quincy, California closed on March 25, 2011. John Grant of Park Brokerage Inc. represented the Seller in the sale.

Pioneer RV Park is nestled in the heart of the Sierra Nevada mountains at an elevation of 3,500 and surrounded by tall mountains. It is located between Lassen National Park and Lake Tahoe, and 70 miles from Reno, Nevada. The park has a total of 68 RV sites and a 1997 Fleetwood 2 bedroom/2 bath, 1,250 square feet owner manufactured home with office. Rental rates were low at \$34 daily and \$380 monthly and annual occupancy was close to 60%. The park is built on 6.5 acres and is very low density with “Big Rig” 50 feet wide sites and 65 feet and longer sites. 37 pull thrus, 6 double sites, and all but 9 of the sites have 50 amp electric. The park is serviced by county sewer and water utility service. Amenities include a club room with outside covered tables, free wifi, satellite tv, two separate restroom facilities with showers, laundry room, dump station, RV supplies and LP gas. Right next door to the park is Pioneer Park operated by the county with an olympic sized swimming pool, playground, skate park, and the County fairgrounds. Pioneer is a Good Sam park and one of the highest rated parks in Northern California and one of the top 100 in the country with a TL rating of 9/10/9.

The buyer put \$180,000 down, obtained new SBA financing of \$610,000 at prime + 2.75% (currently 6.0%) fully amortized over 25 years, and the seller carried a \$150,000 2nd trust deed for 7 years at 6% interest years 1-5, and 7% years 6 and 7. The capitalization rate was 11.5% but did not include any onsite or offsite management expense as the seller was an owner/operator and the buyer will also be onsite.

John Grant commented, “Pioneer is a very high quality but smaller RV park in a desirable mountain location. It is summer seasonal and has many of the property qualities that Buyers desire such as city sewer and water utilities, 50 amp electric, big rig sites, and the mountain location. RV parks are very difficult to sell in today’s market because there is almost no bank financing available. The only financing available is through the SBA and the RV park must have 51% or more of its income from transient occupancy (daily and weekly). Most RV parks have the majority of their income from monthly/seasonal/permanent occupancy and do not qualify for SBA financing”.

John Grant sells and finances manufactured housing communities and RV parks exclusively throughout the states of California, Arizona, and Nevada. He has sold 146 manufactured housing communities and RV parks in the last 23 years and financed over 200. John can be reached at 800-987-3363.

Market time: 19 months, Escrow length: 120 Days